

AMENDED IN SENATE MAY 21, 2009

SENATE BILL

No. 622

Introduced by Senator ~~Cedillo~~ Lowenthal

February 27, 2009

~~An act to amend Section 18502 of the Health and Safety Code, relating to mobilehome parks. An act to add Sections 12206.5, 17058.5, and 23610.8 to the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 622, as amended, ~~Cedillo~~ Lowenthal. ~~Mobilehome Parks Act: fees.~~ Low-income housing tax credits.

Existing law establishes a low-income housing tax credit program, administered by the California Tax Credit Allocation Committee, which provides procedures and requirements for the allocation of state tax credit amounts among low-income housing projects based on federal law

Existing law, in the case of a partnership, provides for the allocation of the state low-income housing tax credits, on or after January 1, 2009, and before January 1, 2016, to partners based upon the partnership agreement, regardless of how the federal low-income housing tax credit, as provided, is allocated to the partners, or whether the allocation of the credit under the terms of the agreement has substantial economic effect, as provided.

This bill would extend those provisions to a project that receives a preliminary reservation of the state low-income housing tax credit during calendar year 2008, as specified.

This bill would declare that it is to take effect immediately as an urgency statute.

~~Under existing law, the Mobilehome Parks Act requires a valid permit issued by the Department of Housing and Community Development or a city, county, or city and county that assumes responsibility for the enforcement of the act for the construction or alteration of a mobilehome park. The act requires a plan checking fee equal to $\frac{1}{2}$ of the construction, plumbing, mechanical, and electrical permit fees and establishes a minimum fee of \$10.~~

~~This bill would raise the minimum fee by one dollar to \$11.~~

Vote: ~~majority~~^{2/3}. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 12206.5 is added to the Revenue and
2 Taxation Code, to read:
3 12206.5. (a) (1) Notwithstanding the dates specified in
4 subdivision (b) of Section 12206, for a project that receives a
5 preliminary reservation of the state low-income housing tax credit,
6 allowed pursuant to subdivision (a) of Section 12206, during
7 calendar year 2008, the credit shall be allocated to the partners
8 of a partnership owning the project in accordance with the
9 partnership agreement, regardless of how the federal low-income
10 housing tax credit with respect to the project is allocated to the
11 partners, or whether the allocation of the credit under the terms
12 of the agreement has substantial economic effect, within the
13 meaning of Section 704(b) of the Internal Revenue Code.
14 (2) To the extent the allocation of the credit to a partner under
15 this section lacks substantial economic effect, any loss or deduction
16 otherwise allowable under this part that is attributable to the sale
17 or other disposition of that partner's partnership interest made
18 prior to the expiration of the federal credit shall not be allowed
19 in the taxable year in which the sale or other disposition occurs,
20 but shall instead be deferred until and treated as if it occurred in
21 the first taxable year immediately following the taxable year in
22 which the federal credit period expires for the project described
23 in paragraph (1).
24 (b) This section shall not apply to any state low-income housing
25 credit reservation for which financial closing has occurred, as
26 determined by the California Tax Credit Allocation Committee,
27 prior to the effective date of the act adding this section.

SEC. 2. Section 17058.5 is added to the Revenue and Taxation Code, to read:

17058.5. (a) (1) Notwithstanding the dates specified in subdivision (b) of Section 17058, for a project that receives a preliminary reservation of the state low-income housing tax credit, allowed pursuant to subdivision (a) of Section 17058, during calendar year 2008, the credit shall be allocated to the partners of a partnership owning the project in accordance with the partnership agreement, regardless of how the federal low-income housing tax credit with respect to the project is allocated to the partners, or whether the allocation of the credit under the terms of the agreement has substantial economic effect, within the meaning of Section 704(b) of the Internal Revenue Code.

(2) To the extent the allocation of the credit to a partner under this section lacks substantial economic effect, any loss or deduction otherwise allowable under this part that is attributable to the sale or other disposition of that partner's partnership interest made prior to the expiration of the federal credit shall not be allowed in the taxable year in which the sale or other disposition occurs, but shall instead be deferred until and treated as if it occurred in the first taxable year immediately following the taxable year in which the federal credit period expires for the project described in paragraph (1).

(b) This section shall not apply to any state low-income housing credit reservation for which financial closing has occurred, as determined by the California Tax Credit Allocation Committee, prior to the effective date of the act adding this section.

SEC. 3. Section 23610.8 is added to the Revenue and Taxation Code, to read:

23610.8. (a) (1) Notwithstanding the dates specified in subdivision (b) of Section 23610.5, for a project that receives a preliminary reservation of the state low-income housing tax credit, allowed pursuant to subdivision (a) of Section 23610.5, during calendar year 2008, the credit shall be allocated to the partners of a partnership owning the project in accordance with the partnership agreement, regardless of how the federal low-income housing tax credit with respect to the project is allocated to the partners, or whether the allocation of the credit under the terms of the agreement has substantial economic effect, within the meaning of Section 704(b) of the Internal Revenue Code.

(2) To the extent the allocation of the credit to a partner under this section lacks substantial economic effect, any loss or deduction otherwise allowable under this part that is attributable to the sale or other disposition of that partner's partnership interest made prior to the expiration of the federal credit shall not be allowed in the taxable year in which the sale or other disposition occurs, but shall instead be deferred until and treated as if it occurred in the first taxable year immediately following the taxable year in which the federal credit period expires for the project described in paragraph (1).

(b) This section shall not apply to any state low-income housing credit reservation for which financial closing has occurred, as determined by the California Tax Credit Allocation Committee, prior to the effective date of the act adding this section.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

The state low-income housing tax credit is a critical source of funding for the development of affordable rental housing. Because of the financial downturn and the disruption of global capital markets, affordable housing developers who received an award of low-income housing tax credits in 2008 are having difficulty attracting investors to contribute equity in exchange for the credits. Allowing these developers to seek out separate investors for the state and federal low-income housing tax credits will enhance their ability to attract investors and increase the amount of private investment per dollar of credit, thereby keeping shovel-ready projects on track and increasing the public benefit from the same level of tax expenditure. Because these developers face losing their credit awards if they fail to line up investors prior to January 1, 2010, it is essential that this bill take effect immediately.

~~SECTION 1. Section 18502 of the Health and Safety Code, as amended by Section 4 of Chapter 858 of the Statutes of 2006, is amended to read:~~

~~18502. Fees as applicable shall be submitted for permits:~~

~~(a) Fees for a permit to conduct any construction subject to this part as determined by the schedule of fees adopted by the department.~~

1 ~~(b) Plan checking fees equal to one-half of the construction,~~
2 ~~plumbing, mechanical, and electrical permit fees, except that the~~
3 ~~minimum fee shall be eleven dollars (\$11).~~

4 ~~(c) (1) An annual operating permit fee of twenty-five dollars~~
5 ~~(\$25) and an additional two dollars (\$2) per lot.~~

6 ~~(2) An additional annual fee of four dollars (\$4) per lot shall be~~
7 ~~paid to the department or the local enforcement agency, as~~
8 ~~appropriate, at the time of payment of the annual operating fee.~~
9 ~~All revenues derived from this fee shall be used exclusively for~~
10 ~~the inspection of mobilehome parks and mobilehomes to determine~~
11 ~~compliance with the Mobilehome Parks Act (Part 2.1 (commencing~~
12 ~~with Section 18200)) and any regulations adopted pursuant to the~~
13 ~~act.~~

14 ~~(3) The Legislature hereby finds and declares that the health~~
15 ~~and safety of mobilehome park occupants are matters of public~~
16 ~~interest and concern and that the fee paid pursuant to paragraph~~
17 ~~(2) shall be used exclusively for the inspection of mobilehome~~
18 ~~parks and mobilehomes to ensure that the living conditions of~~
19 ~~mobilehome park occupants meet the health and safety standards~~
20 ~~of this part and the regulations adopted pursuant thereto. Therefore,~~
21 ~~notwithstanding any other provisions of law or local ordinance,~~
22 ~~rule, regulation, or initiative measure to the contrary, the holder~~
23 ~~of the permit to operate the mobilehome park shall be entitled to~~
24 ~~directly charge one-half of the per lot additional annual fee~~
25 ~~specified herein to each homeowner, as defined in Section 798.9~~
26 ~~of the Civil Code. In that event, the holder of the permit to operate~~
27 ~~the mobilehome park shall be entitled to directly charge each~~
28 ~~homeowner for one-half of the per lot additional annual fee at the~~
29 ~~next billing for the rent and other charges immediately following~~
30 ~~the payment of the additional fee to the department or local~~
31 ~~enforcement agency.~~

32 ~~(d) Change in name fee or transfer of ownership or possession~~
33 ~~fee of ten dollars (\$10).~~

34 ~~(e) Duplicate permit fee or amended permit fee of ten dollars~~
35 ~~(\$10).~~

36 ~~(f) This section shall remain in effect only until January 1, 2012,~~
37 ~~and as of that date is repealed, unless a later enacted statute, that~~
38 ~~is enacted before January 1, 2012, deletes or extends that date.~~

O